

# TOWN OF ANDOVER FINANCIAL ROUND TABLE

Andrew P. Flanagan, Town Manager

August 24, 2016

# TOWN OF ANDOVER BUDGET MODEL (EXCLUDING WATER/SEWER/OFFSET LOCAL RECEIPTS)



# State Aid Ch. 70 Education Aid General Gov. Aid Other

#### **Property Taxes**

Prior Year Levy Limit
+ 2.5% (Max w/o override or
exclusion)
+ New Growth

#### Local Receipts

Motor Vehicle Excise Licenses/Permits Hotel/Motel/Meals Other



#### **Available Revenue**



#### **Contractual/Capital Appropriations**

Debt Service
Health Insurance
Retirement Fund (Pension)
Other Post Employment Benefits (OPEB)
State Assessments/Other
Capital Improvement – "pay as you go"

School Dept Appropriation



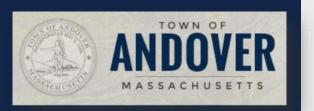
Balance For Departmental Operating Budgets



Town Depts.

Appropriation





- Based on a series of assumptions and schedules
- Dynamic document
- Tool to establish predictability and identify structural impacts
- Framework to sustain competitive and responsive community services

																	8/24/2016	1.34 PM	
						TO	OWN OF	<b>ANDOVE</b>	R										
					1.4	nna Rana	e Projec	tion FY20	18-FY202	2									
						ong nang	- 1 10,00			-									
											_								
	PY 2016 RECAP	FY 2017	Dollar Change	Change	FY 2018	Change	Change	FY 2019	Udilar Change	Change	FY 2020	Change	Percent Change	FY 2021	Change	Percent Change	FY 2022	Dollar Change	15
REVENUE																			۰
Property Taxes																			4
Prior Year Levy	119,797,140	124,996,152	5,199,012	4.24%	120,721,055	5,724,904	4.55%	136,025,579	5.307.524	4,05%	141,469,399	5,440,520	4,00%	147,045,931	5.576.533	3,24%	152,761,877	5.715.946	я.
2 1/2% increase	2,994,929	3,124,904	122,275	4.34%	3,265,026	143,123	4.55%	3,400,722	132,595	4.05%	3,536,735	135,013	4.00%	3,676,148	139,413	3.24%	3,819,047	142,599	/
New Growth	2,204,083	2,500,000	395,917	17,98%	2,039,795	(560, 202)	-21.5516	2,039,198		0.00%	2,039,195		0.00%	2,039,795		0.00%	2,039,795		4
Unused Excess Levy Capacity	(1,603,771)	(974,123)	622.635	-39.26%	(200,000)	674,133	-89.20%	(200,000)		0.00%	(200,000)		0.00%	(200,000)		0.00%	(200,000)		э١
Exempt Debt Service	4,204,490	3,597,424	(707,065)	-15.43%	4,026,464	439,040	12.20%	3,906,286	(120,178)	-3.23%	3,755,129	(120,157)	-3.08%	3,533,000	(253,129)	-5.52%	2,996,520	(535,480)	a  -
Intell'recenty laxes	127,696,871	133,344,348	5,647,476	4,42%	139,765,343	6.420.997	4,82%	145,075,685	5,310,342	3,50%	150.532,080	5,456,376	3,76%	155,994,877	5.462.817	3,52%	163,357,039	7.362.162	Ŧ
State Aid	12,770,543	12,764,886	(5,657)	-0.04%	11,740,175	(1,024,711)	-8.03%	11,553,654	113,510	0.97%	11,968,329	114,545	0.97%	12,054,120	115,791	0.97%	12,201,069	115,242	٠Г
Local Receipts	10,405,050	10,997,425	592,375	5.53%	11,447,300	449,872	4.02%	11,447,300		0.00%	11,447,300		0.00%	11,447,300		0.00%	11,447,300		П
Free Cash for CIP & Articles	4,893,083	3,793,000	(1,100,083)	-22,48%		(3,793,000)	-100,00%			0.00%			0.00%			0.00%			э١
Other Revenues - Indirects, Cable, Sond Prem	2,003,185	2,131,924	125,740	5.43%	2.053,479	(78,445)	-3.55%	2,121,853	55,374	3.33%	2,205,593	82,740	3.95%	2,250,952	45,369	2.06%	2,230,434	(20,528)	al.
TOTAL REVENUES	157,768,731	163,031,584	5,262,854	3,34%	165,006,297	1,274,713	1,21%	170,498,522	5,492,226	3.33%	176,153,262	5,654,780	3,32%	181,777,259	5,623,977	3.12%	189,255,845	7,455,584	Ŧ
APPROPRIATIONS - DebtOblications/Coots																			1
Cantal & Debt Service																			4
Non-Exempt Debt Service	5,333,405	5.553.925	320 520	8.01%	6.196.315	542,323	9,59%	6.592.679	626.261	11.24%	7.255,923	425.254	7.20%	7.817.571	425,535	5.50%	7,950,564	122.993	ı
Exempt Debt Service	5,949,901	4 575 400	(4.424.504)	44.000	4 170 955	(707,445)	-14 5 55	3.954.400	(125.555)	-7.75%	3,882,250	(122 150)	-3.07%	7 504 779	(257.911)	-8.88%	3,074,520	(579,519	باله
Cash Capital Outsy	2,450,000	3,440,000	220,000	40,4196	3,257,000	(183,000)	-5.32%	2,562,000	(395,000)	-12,12%	2,500,000	(62,000)	-2.17%	2,750,000	(90,000)	-1.72%	2,900,000	150,000	П
Lotel Ceneral Fund Ceptal	13,733,308	13.922.325	152.012	1.28%	13.574.273	(248.052)	-2.50%	13,739,079	154,505	1.21%	14.051.183	312 104	2,27%	14,171,910	120,727	0.88%	13.925.084	(245.525	1
Obligations - Ried Costs		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				(240,000)		,	104,000		. 4,001,100	2.2		14211 4210				(2-0)000	1
Rainment	7.945.015	5.555.525	622.820	7.84%	9.513.240	244,405	11.02%	10.454.555	951,325	10,00%	11.511.021	1.045.455	10,00%	12,652,123	1.151.102	10.00%	13,925,335	1.265.212	ı,
Insurance (Workers Comp	732.553	783,831	51,275	7,00%	828,699	54,888	7.00%	897,408	58,709	7.00%	960.227	52.512	7.00%	1.027.443	67.215	7,00%	1.099.364	71.221	
Unemployment Compensation	155,000	160,000	2,000	1,27%	163,700	3,200	2,00%	100.404	3,254	2,00%	169.797	2 2 2 2 2	2.00%	177.159	1 195	2.00%	175.533	7454	ш
Health Insurance	17.052.416	17.905.027	852.621	5,00%	19.737.440	1,432,403	8,00%	20.856.425	1.545.225	8,00%	22,555,190	1.670.755	8,00%	24.259.625	1.504.415	8.00%	26.305.374	1.945.755	al.
OPES	500,000	1,127,572	527.572	125.51%	1,576,451	445,579	29.51%	1,738,803	100,352	10,17%	1,597,472	150,552	2.23%	1,987,583	70,091	2,52%	2.040.540	72.977	л
Lotel Ceneral Fund Obtostions	40.122.290	42,467,600	2.345.210	5,55%	45.003.303	2,535,703	5,27%	47,888,754	2.885.451	0.41%	51,144,886	3,256,132	5,50%	54.381.833	1.095.220	5,03%	57,478,349	1353342	+
Ship Assessments	517.153	603,563	85,400	15.71%	615.673	15,090	2,50%	534,139	15,457	2.50%	549,993	15.557	2,50%	555,243	15,250	2.50%	652.599	15,555	
Office Aid - Assistance in Libraries	45.140	45,355	(7.54)	-1.53%	45,285		0.00%	45,355		0.00%	45,255		0.00%	45,355		0.00%	45,288		٠L
Technical School Assessment	510,000	#10.000	100,000	19,51%	625.300	18.300	2,00%	547,149	18.849	3.00%	000,003	19414	3,00%	606.000	10.007	3.00%	707.157	20.597	л
Overlay Reserve	876,293	815,625	(57,665)	-0.55%	900,000	81,372	2.24%	900,000		0.00%	1,200,000	300.000	22,22%	200,000	(200,000)	-25,00%	900.000		ı١
Warrant Articles - From Taxation	142,360	150,007	7.547	5,37%	153,577	3,570	2,25%	157,253	3,676	2.32%	161,042	2789	2.41%	164,943	3,901	2.42%	164,943		
Warrant Adicies - Error Erea Cash	4592.052	3,793,000	(1,100,083)	-22,48%	34,511	(2.792,000)	-100.00%	,		0.00%	,		0.00%		-,	0.00%			н
Other - Court Judgements & Deficits	29,490	6,765	(32,702)	-52.51%	150,000	143,212	2109.78%	150,000		0.00%	150,000		0.00%	150,000		0.00%	150,000		1
Lote Debt/Obligations/Capital	47,146,539	45,494,992		2,55%	47,499,239	(995,753)	-2,05%	50 A 22 . 65 Z	2.923.443	0.13%		3,595,189	7.1.2%	50,974,905	2.838.288	5,23%		1400.595	
AITTROITEATIONS - Town & School Countrions																			÷
Tour	37.325.300	35.437.359	1.112.089	2.28%	39.494.417	1.057.028	275%	40.580.514	1.088.098	2.75%	41,595,475	1,115,984	2,75%	42,843,131	1.148.853	2.75%	44.021.317	1,175,156	٠l
School	73,795,591	76,099,203	2,802,612	3,52%	79,523,667	7.474.454	430%	83,102,232	3.575.565	4.50%	55.541.533	3,739,600	4.50%	90,749,715	3,907,882	4,50%	94,522,452	4,083,737	
Lotal Appropriations for Operations	110,821,891	114,538,592	3,914,701	3.54%	119,018,084	4,481,492	3,91%	123,882,747	4,694,661	3.92%	128,538,310	4,853,565	3.93%	133,592,846	5,054,536	1.01%	138,854,789	5.281.923	
TOTAL APPROPRIATIONS	157.759.731	183,031,584	5.252.553	224%	188.517.323	2,455,739	2.14%	174.105.428	7.555.105	4.55%	182,556,181	5.450,752	4.55%	190,587,811	7.890.903	4.72%	198.983.503	5.557.515	
BALANCE	127,760,731	190,031,304	0,402,032	2.24%	(1,511,028)	2,465,729	2.14%	(3,805,906)	1,000,100	4.30%	(5.402.828)	m, =30, 132	-03%	(8,790,552)	1,090,903		(9,747,680)	0,002,310	41

## REVENUE ASSUMPTIONS



#### **REVENUE ASSUMPTIONS**



- Property Taxes
  - 2.5% Levy Increase
  - New Growth 5 Year Average (\$2,039,798)
  - \$300K Excess Levy Capacity (Per BoS Vote)
- State Aid
  - I% Annual Increase Chapter 70 & Unrestricted General Government Aid
- Local Receipts
  - 5 Year Average (\$11,447,300)

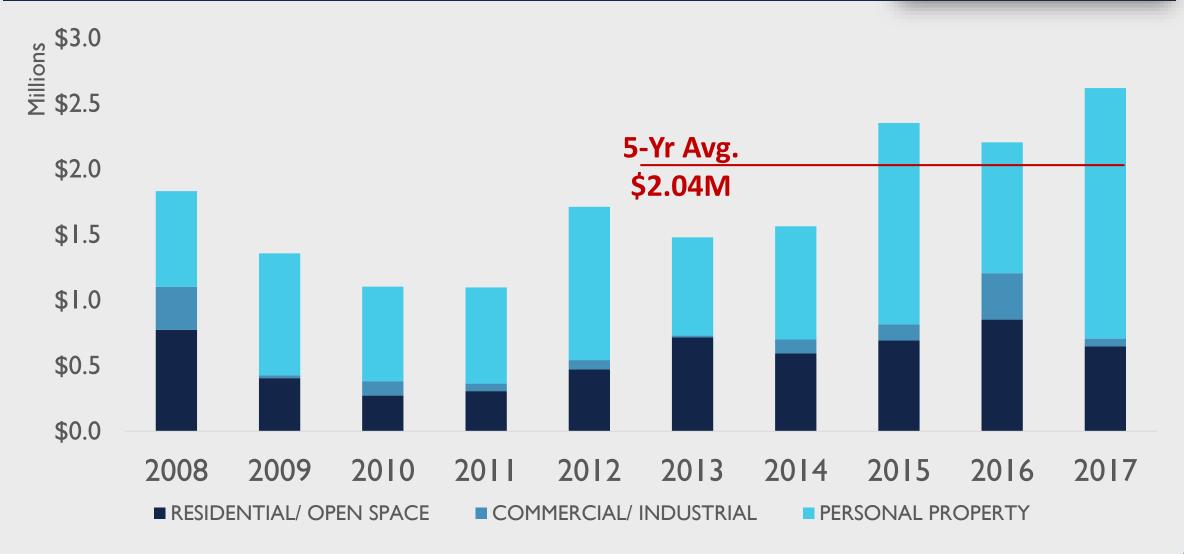


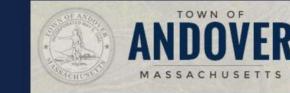


	FY2017	FY2018	FYI7-FYI8	FY17-FY18
TAX REVENUE	<u>Projections</u>	<u>Projections</u>	\$ Change	% Change
Prior Year Levy Limit	\$124,996,152	\$130,721,056	\$5,724,904	4.58%
Annual 2.5% Increase	\$3,124,904	\$3,268,026	\$143,122	4.58%
New Growth	\$2,600,000	\$2,039,798	(\$560,202)	-21.55%
Unused Levy Capacity	(974,133)	(300,000)	\$674,133	-69.20%
Total Tax Levy	\$129,746,923	\$135,728,880	\$5,981,957	4.61%
Addtl.Taxes - Debt Exclusion	\$3,597,424	\$4,036,464	\$439,040	12.20%

#### **NEW GROWTH HISTORY**





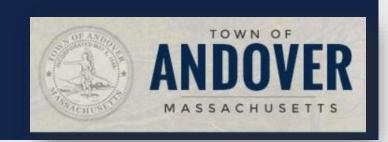


### **REVENUE ASSUMPTIONS**

	FY2017	FY2018	FYI7-FYI8	FYI7-FYI8
	<u>Projections</u>	<u>Projections</u>	\$ Change	% Change
Tax Levy	\$129,746,923	\$135,728,880	\$5,981,957	4.61%
State Aid	\$12,473,856	\$12,598,595	\$124,739	1.00%
Local Receipts	\$10,997,428	\$11,447,300	\$449,872	4.09%
Total	\$153,218,207	\$159,774,775	\$6,556,568	4.3%

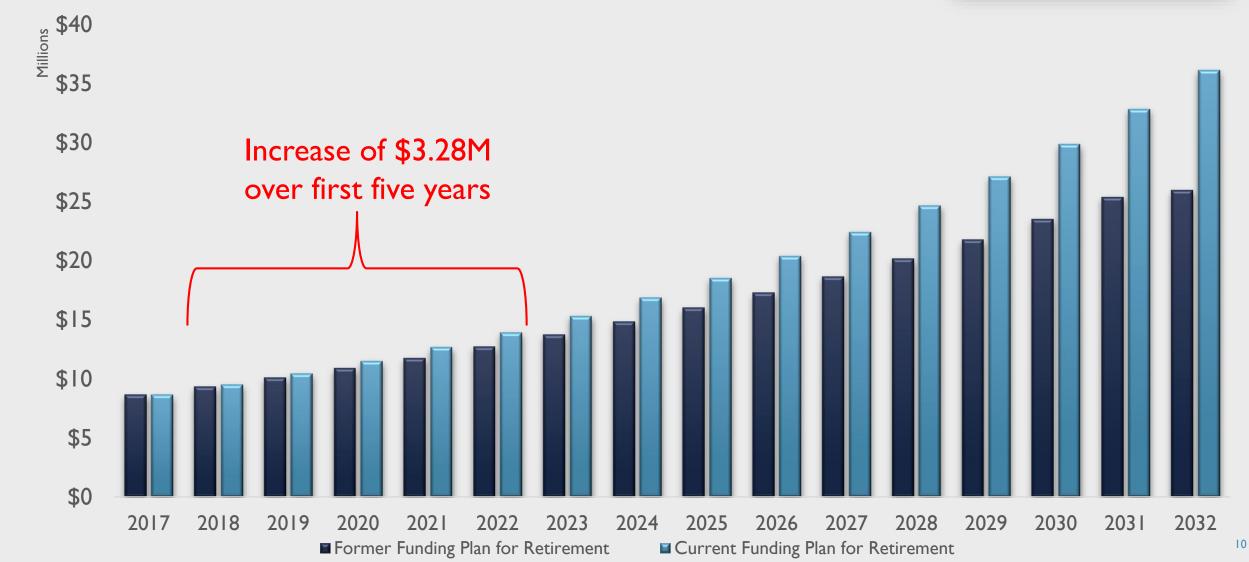
## APPROPRIATIONS – OBLIGATIONS

- RETIREMENT
- HEALTH INSURANCE
- OTHER POST EMPLOYMENT BENEFITS (OPEB)

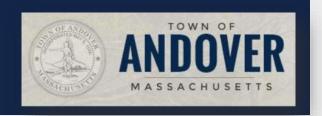


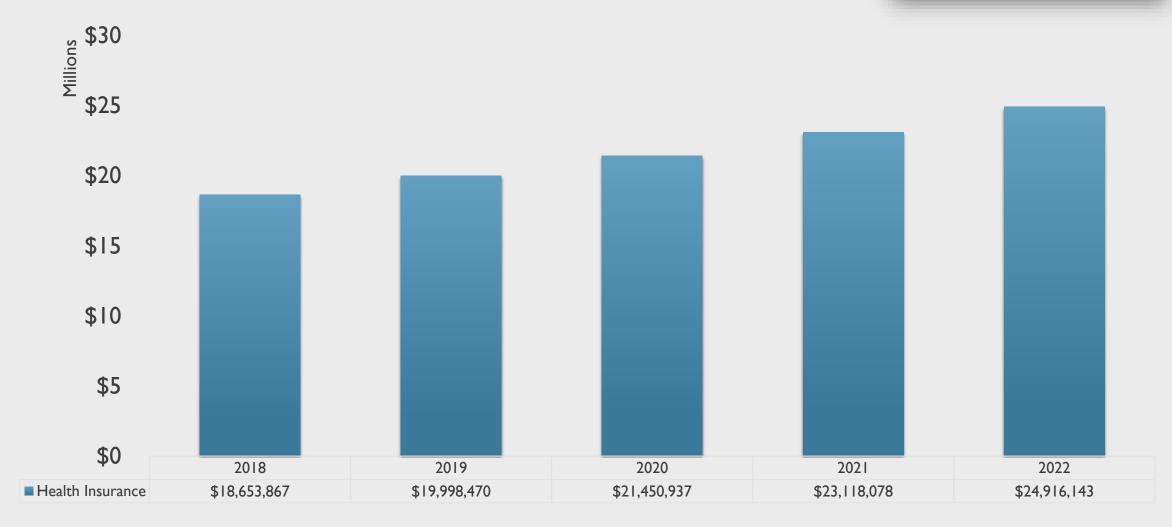
#### FORMER VS. CURRENT RETIREMENT FUNDING SCHEDULE (10% ANNUAL INCREASE THROUGH 2032)





## **HEALTH INSURANCE**





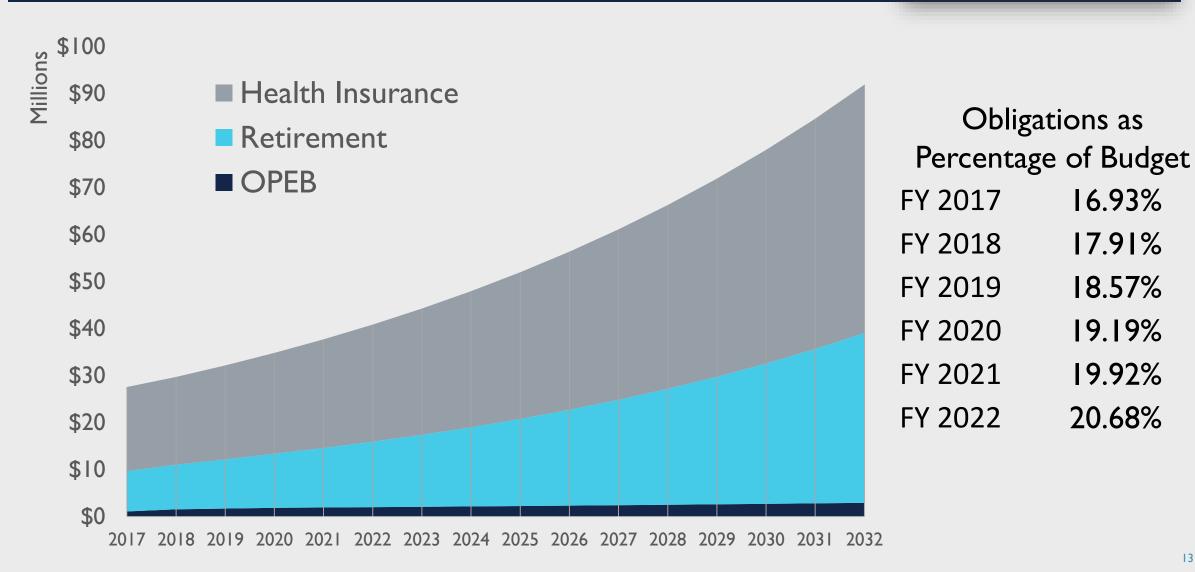
# OTHER POST EMPLOYMENT BENEFITS (OPEB)



	General Fund OPEB Appropriation	Savings from OPEB Reform	Total OPEB Appropriation
FY 2018	\$943,513	\$632,938	\$1,576,451
FY 2019	\$967,100	\$769,703	\$1,736,803
FY 2020	\$991,278	\$906,194	\$1,897,472
FY 2021	\$1,016,060	\$951,504	\$1,967,563
FY 2022	\$1,041,461	\$999,079	\$2,040,540
FY 2023	\$1,067,498	\$1,049,033	\$2,116,531
FY 2024	\$1,094,185	\$1,101,484	\$2,195,670
FY 2025	\$1,121,540	\$1,156,559	\$2,278,099
FY 2026	\$1,149,578	\$1,214,387	\$2,363,965
FY 2027	\$1,178,318	\$1,275,106	\$2,453,424

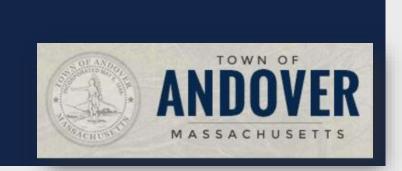
### PROJECTED OBLIGATIONS TO 2032





## APPROPRIATIONS – CAPITAL & DEBT

- CAPITAL CAPACITY
- NON EXEMPT DEBT
- EXEMPT DEBT



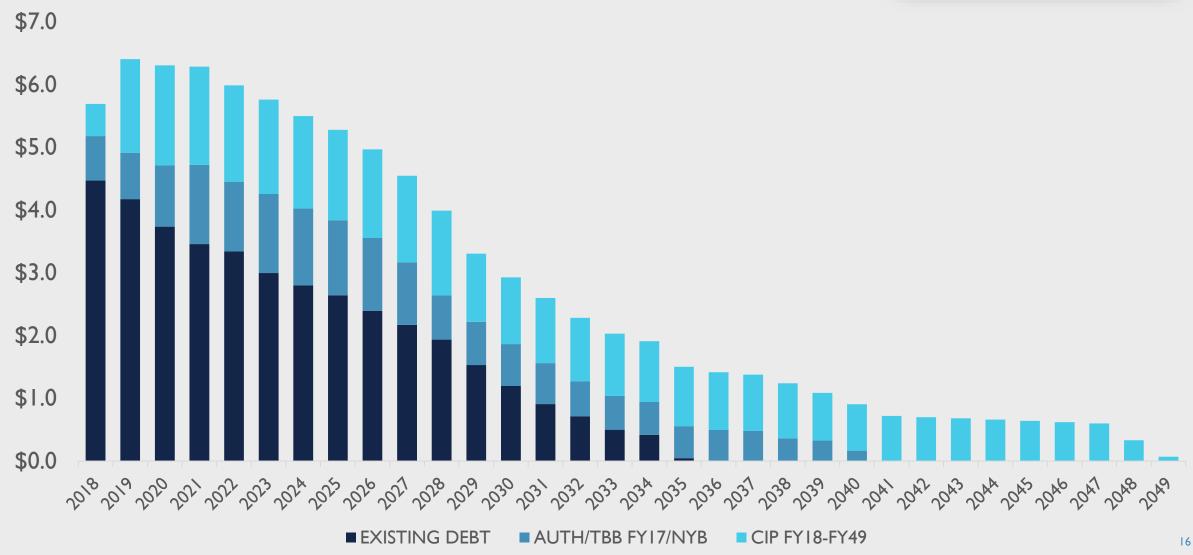
# NON-EXEMPT CAPITAL AS % OF ADJUSTED BUDGET



	FY18	FY19	FY20	FY2I	FY22
Total Revenue	180,645,548	186,416,440	192,680,154	198,389,323	204,155,724
Less:Exempt Debt	(4,036,464)	(3,906,286)	(3,786,129)	(3,533,000)	(3,009,557)
Less: Water/Sewer Enterprise	(13,594,804)	(14,293,938)	(14,679,967)	(15,210,353)	(15,590,612)
Less: Water/Sewer Reserves &					
Articles	(703,000)	(663,000)	(1,015,000)	(750,000)	(750,000)
Less: Water/Sewer Reserves					
Operating	<u>(506,634)</u>	<u>(211,583)</u>	<u>(161,507)</u>	<u>(73,654)</u>	<u>(75,495)</u>
Adjusted Revenue Budget	161,804,646	167,341,633	173,037,551	178,822,316	184,730,060
Capital Projects from Taxation	3,257,000	2,862,000	2,800,000	2,750,000	2,900,000
Non-Exempt Debt	<u>6,011,318</u>	<u>6,707,679</u>	<u>7,103,933</u>	<u>7,532,571</u>	<u>7,665,564</u>
Total Non-Exempt Capital Outlay	9,268,318	9,569,679	9,903,933	10,282,571	10,565,564
	5.73%	5.72%	5.72%	5.75%	5.72%

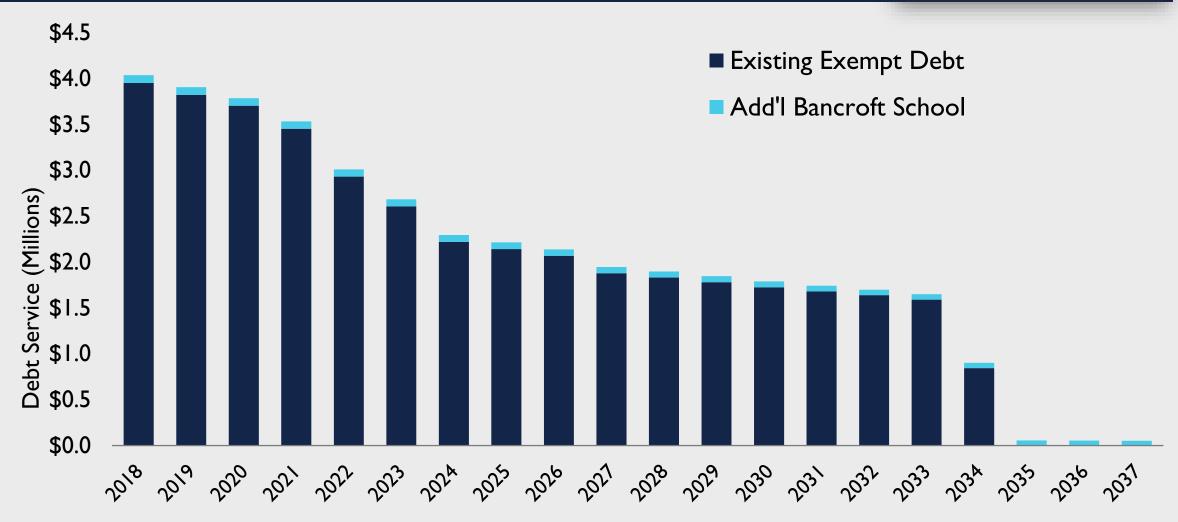
### GEN. FUND (NON-EXEMPT) DEBT SERVICE







#### **GEN. FUND (EXEMPT) DEBT SERVICE**



## TOWN & SCHOOL OPERATIONS



## TOWN AND SCHOOL OPERATIONS



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
School Operations (4.5% Annual Increase)	\$79,523,667	\$83,102,232	\$86,841,832	\$90,749,715	\$94,833,452
Town Operations (2.75% Annual Increase)	\$39,494,417	\$40,580,513	\$41,696,478	\$42,843,131	\$44,021,317
Total	\$119,018,084	\$123,682,745	\$128,538,310	\$133,592,846	\$138,854,769

## STRUCTURAL IMPACTS





Revenues

**Deficit** 





# QUESTIONS

